



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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October 17, 2007

IN REPLY PLEASE
REFER TO FILE: PD-1

TO: Each Supervisor

FROM: Donald L. Wolfe
Director of Public Works

DLW

ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY BOARD MEETING-SEPTEMBER 24, 2007

On September 24, 2007, my staff attended the regular Board meeting of the Alameda Corridor-East (ACE) Construction Authority. A copy of the agenda and adopted minutes of the July 23, 2007, regular Board meeting are attached. No meeting was held in August 2007. The following items were discussed at the meeting, which are of interest to the County.

Agenda Item VI—The Chief Executive Officer reported that both the House and the Senate have approved Fiscal Year 2007-08 appropriation bills and did not include any funding for ACE as previously requested. He also reported that the City of Pomona is implementing a quiet zone in its downtown area where train horns would be eliminated at five railroad crossings, effective September 24, 2007.

Agenda Item VII—The Board approved staff's request to proceed with the acquisition of 25 parcels from nine property owners, which are required for the construction of the Union Pacific Railroad fourth track as part of the Temple Avenue Train Diversion project.

Agenda Item IX—The Board approved staff's recommendation to authorize the Chief Executive Officer to extend and purchase \$25,000,000 of excess liability insurance for three years for an amount not to exceed \$190,143 from the Insurance Company of the State of Pennsylvania.

Agenda Item XI—The Governor signed the Fiscal Year 2007-08 State Budget on August 28, 2007. The Budget diverts \$1,300,000,000 in transportation funds for non transportation uses that are normally funded with State General Funds. This has resulted in an estimated cut of \$336,000,000 in transportation funds to the Los Angeles County region. Also, none of the legislative bills of interest to ACE were approved this session, and they were carried over to the 2008 Legislative Session.

Each Supervisor
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The next Board meeting will be held on October 29, 2007, at 2 p.m., at the Irwindale City Hall Council Chambers.

AU:yr

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Attach.

cc: Chief Executive Office
Executive Office



Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

REGULAR MEETING AGENDA

Monday, September 24, 2007 – 2:00 P.M.

Irwindale City Hall
5050 Irwindale Avenue
Irwindale, CA 91706

Members of the public may comment on any item on the agenda at the time it is taken up by the Board. We ask that members of the public come forward to be recognized by the Chair and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a three-minute time limit on individual remarks at the beginning of the discussion.

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|-------|---|-----------------|
| I. | Roll Call and Introductions | |
| II. | Pledge of Allegiance | |
| III. | Approval of Minutes of Meeting of July 23, 2007 (Pages 1-5) | Action |
| IV. | Public Comment | |
| V. | Chairman's Remarks | Information |
| VI. | Chief Executive Officer's Report (Pages 6-21) | Information |
| VII. | Approval of Authorization to Proceed with Property Acquisition for the Temple Avenue 4 TH Track Project (Pages 22-23) | Action |
| VIII. | Approval of DMJM Request to Withdraw From Program Management Contract Joint Venture (Page 24) | Action |
| IX. | Approval of Purchase of Construction Excess Liability Insurance (Pages 25-26) | Action |
| X. | Approval of Renewal of Office Lease (Page 27) | Action |
| XI. | Update on State Budget and Legislation (Pages 28-38) | Information |
| XII. | Closed Session: The Board will adjourn to closed session pursuant to Government Code Section 54956.8 Conference with Real Property Negotiators
Property address: 2882 Pomona Blvd., Pomona, CA APN 8710-016-016
Agency Negotiator: Mark Mendoza, Paragon Partners
Negotiating Parties: ACE Construction Authority and Altec Industries, Inc.
Under Negotiation: Price and terms | Possible Action |
| XIII. | Adjournment | Action |

The ACE Construction Authority is currently constituted of seven (7) member jurisdiction; the Cities of El Monte, Industry, Montebello, San Gabriel and Pomona, the County of Los Angeles and the San Gabriel Valley Council of Governments. A San Bernardino County Council of Governments representative is an ex-officio Board member.

Each member or alternate has one vote. A quorum of the ACE Construction Authority is no less than four (4) of its total voting membership. Actions taken by the ACE Construction Authority shall be by simple majority of the members present with a quorum in attendance except for personnel actions, the annual budget, matters dealing with the Administrative Code or matters requiring subsequent approval by the SGVCOG, all of which shall require five (5) votes.



**ACE Construction Authority
Special Board Meeting
July 23, 2007
Minutes**

Chairman Gutierrez called the meeting to order at 2:04 PM.

1. In attendance were:

Ernest Gutierrez, Chairman
George Hunter, Vice Chairman
Dave Spence, La Canada Flintridge, SGVCOG
Phil Marcellin, Industry
Bob Bagwell, Montebello

Staff

Rick Richmond, Chief Executive Officer
Joe Silvey, Legal Counsel
Sharon Neely, staff
Lou Cluster, staff
Girish Roy, staff
Bruce Armistead, staff
Deanna Stanley, staff
Chip Conway, staff

Guests

Hon. Carol Herrera, City of Diamond Bar
Jim DeStefano, City of Diamond Bar
Jack Yoshino, City of Walnut
David Varnam, Congressman Gary Miller's Office
Allen Ude, Los Angeles County Department of Public Works

2. Pledge of Allegiance

Member Spence led the pledge of allegiance.

3. Approval of Minutes of June 25, 2007

A motion was made to approve the meeting minutes of June 25, 2007.
M/S/C:Marcellin/Hunter/Unanimous

4. Public Comment

There were no public comments.

5. Chairman's Report

The Chairman welcomed new Board member Dave Spence of La Cañada Flintridge.

6. Chief Executive Officer's Report

Rick Richmond updated the Board on the State budget. He indicated there were no earmarks included for goods movement. He reminded the Board at the last meeting staff's concerns with the Prop 1B language included matching requirements. He reported that Senator Lowenthal amended the bill with exclusion to the match requirement but the bill needs to move through the Assembly. Lastly he reminded the Board that required quarterly mitigation monitoring reported are include in the agenda.

Bruce Armistead reviewed the progress photos of the Temple Avenue train diversion project. Girish Roy review progress photos of the East End Avenue grade separation project. Lou Cluster reviewed the progress photos of the Sunset Avenue and Ramona Blvd. grade separation projects. George Nomura reviewed the activities of the Bechtel/Korve program management that included Baldwin Avenue right-of-way activities and informed the Board that aerial photos of the project are planned. Member Hunter inquired as to the procedures following a rebar cage slip at the East End Avenue project. Bruce Armistead described how the accident occurred and safety manager Nathan Williams, Safety Environmental Services reported that, in accordance with procedures, immediately after the incident work was stopped and all parties involved met to review what happened and procedures to avoid a reoccurrence. He indicated safety policies called for information to be shared with each ACE project site. He reminded the Board that there were no injuries as a result of this incident.

7. Approval of Amendment for Construction Management Services for the Ramona Blvd. Grade Separation Project with Lim & Nascimento Engineering

Mr. Richmond reminded the Board that at the April meeting he reported anticipated contractor claims due to various schedule delays. He indicated at that time construction contractor delay claims were forthcoming and summarized the causes for the claim. He reported that due to delays in SBC/ATT utility relocations, UPPR and Metrolink shoofly construction the project has experienced a 200-day delay at an estimated contractor cost of \$1M. He reminded the Board that with the extension of the construction, the on-site construction manager, LAN must also continue to provide oversight of the project. He reviewed the request to add \$740,000 for construction management services for the extension of the project and additional scope of work.

A motion was made to authorize the Chief Executive Officer amend the contract with Lim and Nascimento Engineering Corporation (LAN) to add \$740,000 to Task Order #2 of the contract for construction management services associated with the Ramona Boulevard Grade Separation project, for a new task order

value of \$3,995,000.

M/S/C/Marcellin/Hunter/Unanimous

8. Approval of Additional Staff Position of Grants Manager

Mr. Richmond reviewed the organizational chart. He indicated grants administration was more time-consuming than anticipated. He reported that Menchu Ituralde, was performing grant management in addition to routine accounting and soon expected to oversee new internal contract auditing responsibilities. He indicated with the additional responsibilities of audits a separation of position and responsibilities was necessary. He indicated that he preferred Menchu maintain accounting and auditing responsibilities since prior to working for ACE Menchu performed ACE audits through a contractor of the MTA. He indicated a grants manager position would report to Sharon Neely and responsibilities outlined in the staff report.

A motion was made to approve the additional position of Grants Manager with responsibilities and salary range as outlined in the agenda.

M/S/C/Marcellin/Bagwell/Unanimous

9. Approval of an Amendment to Lopez & Co. Contract to Provide Auditing Services

Mr. Richmond stated, as mentioned earlier, the internal auditing function would now be performed in-house. MTA previously had 2 full time contracted staff auditors but has recently phased out its contract auditing functions. With the phasing out of the program came a backlog of contracts to be audited. He explained that contractor retention is withheld until audits are performed and after the MTA withdrew its services they approved ACE to self-audit its professional services contracts. He indicated that with minimal staff he recommended issuing a contract amendment to the current financial auditors to audit nine of its most pressing consultant audits. He explained that in conjunction with the audits, staff would prepare an RFP for these services to assist in this task as needed.

A motion was made to authorize the Chief Executive Officer issue a contract amendment and task order to Lopez & company for consultant audit services during FY 2008 in an amount not to exceed \$40,500 to perform audits of ACE's consultants and contractors.

M/S/C/Hunter/Marcellin/Unanimous

10. Quarterly Project Progress Report

Mr. Richmond reviewed the increase in project costs over the past quarter. He indicated a \$4.9 million increase was expected due to the following: Delay costs

at Ramona (\$1.1M) and East End/Reservoir (\$1.6M) and Sunset (\$500K) projects and revised construction estimates and right of way costs for the Temple Avenue 4th track project (\$2.3M). However, design changes for the Temple Avenue train diversion project was expected to result in a savings of \$600,000. Accomplishments over the last quarter included: East End Ave – completing a portion of the UPRR bridge, continued utility relocations and excavation. Ramona Blvd – completed construction of Metrolink and UPRR bridges; continued retaining wall construction and roadway excavation. Temple Ave – completed pier protection wall at Temple Ave and completion of State Street Bridge. Brea Canyon Road – completed installation of storm and sewer lines; UPRR completed shoofly tracks and completed construction of temporary Metrolink platform station. Sunset Ave – completed roadwork at California Ave and Valley Blvd; continues storm drain relocations and began UPRR grade crossing signal work.

11. Quarterly Financial Report

Chip Conway, Finance Manager reviewed the quarterly budget versus accrued actuals, cash expenditures by project, expenditures versus receipts by projects and investments. There were no questions.

12. Potential Support of Position on State Legislation Affecting ACE Funding

Sharon Neely distributed an updated legislative summary. She reviewed the activities of the State legislature over the past month. She indicated that certain bills were recently amended and requested the Boards approval on AB 995 (Nava) to change its position from monitor to work with Author to clarify the language.

A motion was made to direct staff to work with Author to clarify language regarding recent amendments on AB 995(Nava).

M/S/C/Gutierrez/Hunter/Unanimous

13. Compensation of Chief Executive Officer

Chairman Gutierrez reminded the Board that the performance of the Chief Executive Officer was discussed at previous meetings and it was consensus that Rick Richmond was doing an outstanding job and that the Board had full confidence in Mr. Richmond. He indicated that in discussions Mr. Richmond requested no more than a 2% increase in salary.

A motion was made to increase Rick Richmond's salary 2% effective his anniversary date.

Gutierrez/Hunter/Unanimous

14. Tour of Brea Canyon Road Grade Separation Project

Rick Richmond introduced Regina Talamantez, Resident Engineer of the Brea Canyon Road project. She asked Nate Williams to review the safety procedures of the project tour and safety protection was distributed. The Board, members and guests were led on tour of the Brea Canyon Road grade separation project by Ms. Talamantez and Nate Williams.

15. Adjournment

The meeting was adjourned at 4:00PM.